

Outsourcing decision is an art and complicated which will influence the extent of success of operation performance in hotels. Through a well understand outsourcing decision factors are the key to maximizing outsourcing benefits while avoiding pitfalls, due to the complexity which is often out of firm's control. Therefore, the objectives of this study are identifying the factors which influence outsourcing decision in hotels industries and analyze the hotel activities that being outsourced and in source. To achieve these objectives, qualitative method was used in this study and coding was used to analyze the data. Interview with the 4 respondents of hotels from Sibu, Sarawak were conducted. The findings from this study indicated that human asset specificity was the most influenced factors in the outsourcing decision in hotels industry. Besides, there was more interesting findings, i.e. all the factors are interconnected with other factors in the adoption of outsourcing decision. They have to consider from many perspectives and angles before they made the decision. According to the finding, the most outsourced activities are maintenance and information technology in the hotels industry. As a whole, outsourcing decision should be considered together with hotel's condition like financial strength, types of operations and existing market of sales, and types of desired profit as well as its brands.